



# COMMUNITY COMMENTS

---

Volume XX

Numbers 1-2

January-March, 1970

---

COMMUNITY POLICY AND INITIATIVE  
NECESSARY TO RURAL-URBAN  
BALANCE AND ECONOMIC WELLBEING

Part Two

INTRODUCTION . . . . .	2
A THREEFOLD ECONOMIC BALANCE by Arthur E. Morgan . . . . .	5
THE OPERATION OF A COMMUNITY EXCHANGE by Fritz Schmieder . . . . .	13
THE ECONOMIC RING by Karl Walker . . . . .	19
LIFE INSURANCE AND THE COMMUNITY ECONOMY by Griscom Morgan . . . . .	21

## INTRODUCTION

In this series of Community Comments we seek to bring economics out of the realm of esoteric abstraction and reintegrate it with social process. We seek to reconcile what have been conceived as mutually exclusive values: the newly developing economy of the wider society and world with the old healthy stable local economy -- no longer isolated or living unto itself. Even the critical problem of population control cannot be abstracted from this context of the local and regional society within whose economy for most of human history social control has been the primary means of preventing overpopulation.

Now that instant beverages, TV meals, prefabricated houses and jet air travel have altered time relationships, it has come to be assumed that technology can yield instant communities as quickly as it can throw paving, plumbing, wire and houses together. Group dynamics and teaching machines are to replace the evolution of social groups, and cybernetics is to relieve people of much of the exercise of intelligence and judgement. But we have not succeeded in replacing the requirement of time and experience for the maturation of human beings and communities.

Karl Marx's insistence on the importance of economic processes in history -- the time dimension of life -- can be inverted to emphasize the time required for the economic evolution of the community and the integration of economics with the life of the community. The small community has been one of the few universals of human society. If we remove the time -- or historical -- preconditions for the community it becomes a crowd. And if we remove the economic functions from this historical reality it becomes a cipher.

Sociologist Charles L. Horn wrote about the first part of this series: "I have been especially impressed with your article 'The Community's Need for an Economy.' Many people in sociology ignore the economic sphere in studying social institutions." Mr. Horn questioned the thesis that preoccupation with money-making in the larger society could be subordinated to design and purpose in the community: "The idea of transcending the competitive, money-oriented features of this culture are indeed problematic. One can cut oneself off virtually from advertising and other media only at a certain peril to one's social self." This need not be an all or nothing matter. A healthy society must resist being a creature of the mass media and its advertising, while yet not cutting itself off from the world. The economy and society of the community must and can hold its own while living in relation to the wider world.

---

COMMUNITY COMMENTS is no longer published. However, the COMMUNITY SERVICE NEWSLETTER is published bi-monthly. A \$15.00 annual membership in Community Service, Inc., includes a subscription to the Newsletter. Community Service, Inc., a non-profit organization devoted to serving the interests of the community as a basic social institution, invites membership and support from persons interested in this field. For a sample Newsletter and Booklist write Community Service, Inc., P.O. Box 243, Yellow Springs, OH 45387.

In the essay we emphasized that it is not desirable or possible to spell out just how these economic principles should be applied to individual circumstances: "Any one technique may be inapplicable to some circumstances. . . But knowledge of the basic principles and of why the hinterland has so frequently failed can enable communities to use methods that are within their reach." Manas magazine, in reviewing the essay, emphasized this point. After quoting the economist, E. F. Schumacher, with regard to the urgent need to reestablish internal local structure within the large society, Manas observes that Griscom Morgan's essay,

speaks directly to this point. . . It is hardly possible to misunderstand his analysis or to fail to grasp the importance of his recommendations. A man who lives in a small community that is losing its young people to the cities can read this essay and the next day go out and do something about reversing the trend. A man who lives in the city, but would like to figure out a way for himself and his family to survive in economic terms in the country, has clear instructions concerning what must happen if he and others are going to be able to make such moves. The first essential is to begin thinking in terms of community welfare, and that of course is what Mr. Morgan has done. For example: 'Small communities and hinterland areas must have enough money for economic exchange within their own economy for their economies to give adequate work and employment. If people do not employ or buy from one another within the community, but buy primarily from the metropolis, more money tends to go out of the community than comes in, and to make a living, people are impelled to go where the money goes. Poverty and depopulation characterize even well endowed parts of our nation, in consequence of the movement of money to the city.' 'Mr. Morgan has several examples of small towns where definite efforts, successful ones, were made by individuals and groups to counteract the forces making for urban migration. . .'

When you read these things you realize. . . There is little or nothing in modern community life to stimulate people to think in terms of social wholes. Economic processes are conceived to be controlled by remote impersonal laws, with the proper economic effects achieved by a hypothetical 'invisible hand' which works behind the scenes. People are early indoctrinated with the notion that all they have to do is concentrate on getting what they want, and then everything else will work out for the common good. Well, it doesn't. . . .

Mr. Morgan says other things which need to be said: 'Without foundation in higher values and purposes, economic processes tend to degenerate into ends in themselves and to betray and defeat human values. Preoccupation with profit-making will lead people to sell out all that differentiates a man from a beast, and even to descend below the level of beasts in sacrificing well-being of community, family and children for the getting and spending of wealth.'

Today, we seem barely able to recognize concrete evidence of a descent below the level of the beasts.

In this issue of Community Comments we carry the current of study introduced by the last issue both into more specific examples of its application and into a more generalized discussion of economic principles. The first part, "A Threefold Economic Balance", is an abbreviated version of an address by Arthur E. Morgan.

In 1933 at the depth of the depression, Arthur E. Morgan was appointed Chairman of the Tennessee Valley Authority. He had just been involved in a small scale endeavor to bring economic and social health to his own village and region. From this experience he had a different insight into economic problems from that of the economists and other university and governmental personnel usually engaged in such projects. Arthur Morgan summarized some of his insights in an address to the student body of the University of Tennessee in November, 1933-- shortly after the initial formation of the TVA. The perspective he developed in that informal preliminary talk was the object of some of the most intimate and widely disseminated criticism he received while in the TVA.

It was only recently that Arthur Morgan discovered that this talk of November, 1933, had been recorded and preserved, and secured a copy of it. Because we believe that this talk touched on one of the most crucial problems now facing the nation and the world, we reproduce it with some editorial changes.

"The Operation of a Community Exchange" by Fritz Schmieder goes into detail about the Chicago economic experiment mentioned in the last Community Comments. Mr. Schmieder had participated in the community economic development that occurred in Germany before it was prohibited on the insistence of the Reichbank, and then moved to Chicago where he worked as a baker. In Chicago, he was able to persuade the many experimentors in economic innovation to go beyond the ineffectual experiments they were involved in and join in the United Trade Exchange.

We have said that the economic principles of the community economy must be applied with intelligence and in diverse ways. As an example of this diversity the role of the life insurance company and its investment is particularly important. Our concluding articles review examples illustrating the general principle with which this series of Community Comments is concerned.

## A Three-fold Economic Balance

by Arthur E. Morgan

We have our theories of the economic determination of industrial developments. Our economists will tell you that they can pick out the spots on the map where a city is going to grow, but that is not always true.

Take for instance, Akron, Ohio. This city has made most of the rubber tires in the world. Akron has not any rubber, it is not even on the seacoast. It has to bring rubber half-way round the world past the cheap labor of Europe, unload it at New York, ship it a quarter of the way across the continent to a little town that has no water power, nothing except some men who knew what they wanted, and yet Akron has gathered to itself the dominance of the rubber business of the world. Quite true, if it has violated economic considerations in too great a degree its supremacy may fade.

There is not any one way to work out the development and location of industry. The City of Kingsport, Tennessee, is one kind of answer. I have listened to its founder, J. Fred Johnson, discuss the factors that entered into its development. If there were a good many J. Fred Johnsons in America, the problem of developing industries in areas of underdevelopment would be simpler.

The decision of whether an industry should locate in Kingsport has not always been determined on an actuarial basis. For instance, I recall J. Fred Johnson telling about how the Eastman industry became established there. Johnson went to see Mr. Eastman, who sent one of his best men to look over the situation. This man was about to leave, and had not yet called on Mr. Johnson. Mr. Johnson rather suspected the investigator had received an unfavorable impression. He met this investigator, who was not enthusiastic, and who he found was preparing to go home to Rochester to make an adverse report. Mr. Johnson told him he had not yet shown him the best he had, and asked him to stay over another day.

Johnson took him out in the hills where there was a little one-room schoolhouse, with forty or fifty boys and girls in the schoolroom. Johnson talked to them in the presence of his visitor, and told them they might possibly have a new industry come to town

and that it would make opportunity for them, whereas now there were no jobs for them when they quit school.

When he was through talking, a little red-haired boy in the back of the room got up, walked up to the front, and said, "Please, Mister, bring that factory to our town." It was that incident and the personality of Mr. Johnson, and not statistical computations, which secured the Eastman plant.

The growth of Kingsport is not due solely to any strategical geographical location, nor to any unique natural resources,--it is due to a man who has overcome adverse conditions, and who, just out of the quality of his personality, has made men care enough for his picture of the town so that they would come there because of it. That is to some extent the story of Kingsport.

Kingsport represents one kind of a relationship of industry to community. It is big business that happens to have located in Kingsport. It is still big industry, fitting into the conventional pattern of American industry. The Eastman factories produce and distribute in a standard American way. A great printing press, one of the largest in American industry, is located in Kingsport. The industries of this city are very successful and sell their products through regular channels.

Leaving out such a human spirit as J. Fred Johnson's, the same factories might be there. They might be slaving their labor, and there might be slums in Kingsport. Only a certain individual outlook gives the town its preeminence as a place where economic problems are being solved. There are other industrial cities in the South with manufacturing on a large scale where the results to the population have not been so happy. By being the kind of person he is, J. Fred Johnson has drawn to Kingsport people like himself, people who treat labor decently. He proved to Kingsport that people are interested in his kind of an outlook. He has gathered from over the United States industrialists who cared for the things he cares for.

Now to some extent, a companionship of Community and Industry can be worked out by persuading industry to locate in your town instead of in some other town. The Eastman Company is perhaps not making any more money there than it would have made in a similar town in Maryland. It is getting its raw materials nearby,--but it could get them in other places as well.

#### Balance in Size of Industry

There is also another phase of companionship of Community and Industry that I'd like to talk about. If we achieve a good industrial condition in this country we won't have all large, all medium sized, or all small industries. We will have a variety, and in such proportion as best to suit this country. Some American industries are naturally large and they can be run better when



they are large. They ought to be large, and they will continue to be so. Steel rails will be made in large plants, and unless processes change, cement will be made in fairly large plants but not too large. The economic unit of an industrial plant should determine the size of the plant. There is room in America for big plants and there is room for small plants. I have imagined that especially the mountain region of Tennessee and the neighboring states would be a good locality in which the small industries of America might find themselves at home. That is true for a number of reasons. Geographically that result might well be worked out. The broken country, the tendency for communities to be in small units because of topography, lend themselves to individuality of development.

In recent years it has been frequently said that the day of small industries is past. That has been a popular belief. In 1928 I was talking about Antioch College to the president of one of the two or three largest banks in America, and I mentioned the fact that I frequently advised Antioch students to associate themselves with small industries, so that they could see all phases of the job, selling, production, management, purchasing. This president of the great bank said he thought I was entirely wrong. He stated that within a short time there would be only two kinds of industries in America--one would be BIG INDUSTRY and the other would be peanut stands. "If you don't want your boys to run peanut stands, get them into big business."

It happened that about that time I bought some stock in a couple of peanut stand banks. One was our village bank and the other was a little bank in an adjoining town set up to try to beat the loan sharks. Both of them have paid dividends from 6% to 8% all the time since. I can buy the stock of that big bank today for less than 6% of what it was worth when the president advised me about big business.

I do not think that the day of little industries is necessarily past. I can imagine in the geological ages when the dinosaurs were running around as you see in the comic strips today, when they weighed about forty tons and were thirty or forty feet long, it must have seemed as though they had the world well cornered, had everything their own way. But at the time there were some little critters running around in the rocks trying to keep out of the way,--they were the forefathers of the mammals, and the dinosaurs are now only fossils in the rocks.

It is possible that industries may get overgrown, and it may be possible that there is room for a large variety of small industries. If there is room for small industries, there can be no better place for them than in East Tennessee and the hill regions adjoining.

## The Need for an Economy

There is still another answer to the economic problem. It is that this region has too low a consumption. For the things we should like to use ourselves here we have little money with which to buy, and we have so little to sell to ourselves. This region is largely trying to make a living on agriculture. Agricultural products ought to be something to live on at home, so that we will not have to buy things from the outside. Agriculture ought to be like the home garden that sustains people, but is not the primary source of income.

Taken as a whole, there ought to be a place for agriculture in the southern mountains. It ought to largely support this region in food but not to bring in its money except from special crops. There are special regions in the Southern Highlands that can produce special products, but in most crops other regions can beat us on mass production. If we use our agriculture to feed our own region and then begin to manufacture the things we need at home, we shall have another answer to the problem of a healthy, balanced economy.

In the mountain regions here I think we have about six million people. That is a larger population than Switzerland, larger than Holland, larger than Denmark. It is big enough to make our own work shoes, our own work clothes, our own furniture. But when we start to do that, we may get into trouble, for a business does not consist of a factory here and there. American business is a very complex organism. You cannot cut a piece off your finger and say, "Now, you be a little man,"--it is only the end of a finger, it is not a man. And neither is a small factory a little industry: it is only a little piece of a great industrial fabric. And if an industry here should decide, "We will make our own shoes," it would have difficulty, because making shoes is only a small part of the shoe industry; the buying of material from which to make shoes is a part; getting the shoes to the wholesaler is a part; getting them from the wholesaler to the retailer, the sales force, the credit for selling and buying shoes, all are parts. Taking the whole process together, it is a collection of industrial forces, resources, credits, methods and devices.

I once tried to go up against that great industrial organization with a small distributing system, and I got a course in economics out of it.

Under the disturbed conditions existing last year, I thought it might be good as an experiment for us to organize a little exchange system. Our factories were largely shut down. The plants were all there, the raw materials there, the administration was there--all doing very little. We went to about fifty of these industrial establishments and we said, "While you are short of orders, why don't you make a little organization among yourselves, like the shoe factory, the food products factory, the hardware



producers; get an organization together here with a clearing house; and when you produce more than you need, try to dispose of it through the clearing house, and if there is something you want, instead of paying cash, pay with your own goods through the clearing house. You can be doing business among yourselves here. What if the rest of the country is broken down? You can make a local prosperity."

That was a perfect picture--on paper. It looked good to many of the business men; but when it came to carrying it through we found our troubles. I can illustrate these:

We wanted to exchange tires through this organization, and found there must not be any sale of tires except through regular dealers. We wanted to do business with a stove manufacturer, but his whole distribution was through the retail stores, and so he could not work with the exchange. So it was with nearly every product. It must be sold through established channels, through dealers, or in some other already settled manner. There were not many roads for business in any other way. The established channels in business determine which road you will take.

Suppose you want to build and operate a shoe factory in some part of this region, and in another town, furniture; in another, clothes, etc. You might think, "We have people here doing nothing, and they might as well be producing; they might as well be making their own goods, lifting themselves out of the economic depression. If we can make shoes, we can wear more shoes; we can make shoes for each other, and so with other goods which we go without now. We can have our own economy in our little world."

But suppose the shoe dealer starts to make shoes. The trouble is that he is not a part of the existing industrial and distributive organization; his shoes have to go to the jobber; but the jobber already has his arrangements with a big St. Louis manufacturer, so when you buy shoes at the local store in the community, you find they are from St. Louis and not from the nearby community.

Because of these deeply worn channels of trade, nearly all leading into and out of the big business and industrial centers, it seems necessary to set up a new economy if we are to deal with ourselves and for ourselves. When we talk of balancing agriculture and industry by making things which can be consumed in this country, when we talk about having the people consume what they produce, we ran into these difficulties. There are no roads going our way.

What is the answer to that situation? Does it mean that this region must always continue to be a vassal of the big centers? Is there any other answer?

No single answer will do. I do not think starting a local shoe factory, trying to serve the neighbors with shoes, will do if it is done alone. I do not think any furniture factory for local consumption is going to do a satisfactory business alone. Either the product will go into the channels of trade and when the furniture gets back here it will have 50% to 75% overhead added and it will be crowded out by the products of big industry, or else we shall have to create channels for ourselves. I think it is not impossible to create new channels.

I believe that to a certain limited degree this region might well set up its own local economy. It can produce its own goods and deal with itself. But if a region is going to build up a new economy by making things it needs at home, it will in a limited sense have to build up a whole economy and not a fragment of an economy. If I were going to build a whole economy, it would be somewhat in the following manner:

I would build a distributive system of some sort. I would have a central purchasing organization, a central sales organization, a distributing organization, and I think I'd have that organization have its own tokens of credit, -a sort of local money.

If a local shoe manufacturer should sell shoes to an exchange, he would get exchange money, not United States money, at least for a part of his payment. The same would be true of the clothing manufacturer, and of all the others. If a man should go to buy shoes he could use this kind of local money in which the shoes were paid for. That money would not be good at a distance, so those who sell things for home consumption could be paid only by buying other things made for home consumption. In that way, home shoes would in some degree outlaw St. Louis shoes.

I would have everybody who was producing for home consumption as a part of this cooperative paid at least in part in the money of the exchange, so there would be a kind of money that would buy the things we made ourselves but not buy the things outsiders make. In that way we would be compelled to buy from each other. Not all business would be done in this way. National currency would also be necessary. I believe this compulsion to buy from each other may be necessary in order to break across the deeply worn channels of trade which all lead into and out of the great commercial centers. Such compulsion would be better than the present compulsion of sitting at home in idleness, buying nothing because we have nothing to sell, and selling nothing because people have no money to buy with.

As I think it over, I believe it is going to be almost necessary to have that element of local exchange, because otherwise, after your shoe manufacturer has made shoes and has turned them into the exchange, he will get money for them and will buy Grand Rapids furniture; and the furniture manufacturer, after

he has made furniture, unless he were paid in credits good only for home products, he would buy his shoes from the St. Louis trade and not the local shoes. Soon the local money would be gone, local goods would be unsold, local factories closed, and everyone idle and unable to buy. Therefore he must leave his land, home and setting and go to the city where the money is.

Now whether this thing can be done, I do not know. But if we are going to build up a local economy, if we are going to be somewhat independent of mass production, I believe we are going to have to go all the way and develop our own tokens of local and regional credit, as well as our own distributing center, our own purchasing center, and our own credit system that will make the exchange.

Whether that can happen or not, depends upon personality. Whether Kingsport could happen or not did not depend upon its locality, but it depended upon whether there was somebody like J. Fred Johnson who was a genius in accomplishing certain kinds of things to make it happen. There were probably hundreds of spots in the Tennessee Valley that were just as good as Kingsport, except they did not have a man of that kind.

#### The Necessity of Personal Commitment

If some personality should come along and say, "This looks like the place to organize a local economy, and it is going to be my life's work to organize it,"--if he would say, "There is another kind of life that could exist here, and I am going to be the creator of an organization of that kind," and get a number of people to work, it might be done, but it would be a life-time work for somebody. He should be dedicated to that, and should not know when he was discouraged. If such an organization could be developed with one or two people at the center making it develop, I think it is not at all impossible that such a degree of local economy might be created.

The great historical developments usually begin with one man (or a few men) with an idea, who break across the channels of the day and cause a new type of living to come. Take the Russian situation. It is a tremendous break from the ways of the world. Somebody had an idea--a few men worked at that idea, defined it, organized it and threshed it out.

The same is true in Italy. The same is true in a deformed way in Germany. In the history of the Jews is the shadow of a man who had an idea; a man who took a horde of slaves out of slavery and led them around for forty years and made a people out of a mob.

When things happen, they happen because somebody with spirit has a picture and lives by it and creates things.

## The Balance

I have mentioned three ways in which Community and Industry can cooperate:

(1) As it is done in Kingsport, bringing in standard American industries, raising the level of labor to some extent, going ahead with mass production, using men who live on the farm and work in the city and so make a living--that is a good way.

(2) Another way is that of developing a pride of workmanship in highly individualized products located in small communities where character and individuality enter into fine products that America will buy because she is so tired of mass production. That is a good way.

(3) The third is that of reorganizing our economic life here so that in supplying our own needs we can raise ourselves above our present economic level by begetting a cooperative production in which we have our own business management units, our own production and sales units, and get the advantage of cooperative work, and also of freeing ourselves from those deep channels of trade that are drawing nearly all the money out of the small communities. That is a hard way, but it may be a very good one.

There are then three ways in which Community and Industry can work together. I think all three are worth following; it would probably be a mistake to follow any one alone. If we would do a perfect job, we must have those in good proportion, in proportions that are best for the community and for the nation.

If we can see our way rightly for the future of the Tennessee Valley, we would have some mass production for national consumption, some production of finer goods that the rest of the country is too busy to make; and I think to some extent we would make our own economy and would free ourselves from those deep worn channels of trade that drain our resources off into the great centers and leaves us poor at home. In the right balance of all these methods we can achieve stable prosperity insofar as that can rest on economies and on regional management.

---

The Annual Report of the Tennessee Valley Authority, released Jan. 4, 1970, states: "Economic growth in the Tennessee Valley has been centered in small and medium-size towns, rather than converging in the larger cities like the national growth pattern. Over the past three years some 89 percent of the region's growth in manufacturing and 56 percent of its growth in trades and services employment occurred outside the region's five largest metropolitan areas--far above the comparable rates for the Southeast and the Nation. Opportunities in these smaller communities have been emphasized in recent years." Also the trend toward out-migration has been reversed: "the valley has a net in-migration of workers."

The Operation of a Community Exchange--  
The Experience of the United Trade Dollar Exchange of Chicago

by Fritz Schrieder

During the great depression American communities were so lacking in money, and hoarding of money was so general, that many cities and towns issued their own scrip to facilitate economic exchange. These local exchanges were often of real value, but they suffered from the same tendency to hoard money, among the poor as among the wealthy, that characterized the currency they were to replace. With the advent of NRA and governmental spending most exchanges were discontinued.

One exchange was in striking contrast to all others in America. Profiting by earlier experience, during the severe recession that resulted from the temporary discontinuance of governmental expenditures in 1937, a Chicago businessman organized a large number of businesses to employ an unhoardable scrip as a medium of exchange. This businessman, Mr. Fritz Schrieder, planned the exchange scrip to be fully secured by United States currency held in a trust fund. Over a hundred and twenty thousand dollars worth of one-dollar certificates were sold; the proceeds of this sale, in United States currency, were held in a trust account.

This exchange currency was used for millions of dollars worth of transactions. Being unhoardable, this taxed currency circulated about three times as fast as United States currency, despite the great handicaps of having exchange members dispersed over a large city, and having among the exchange members no "primary producers," such as farmers or lumbermen. Because of these handicaps the exchange was forced to charge a fairly high membership fee to support a field man and a periodical by which to facilitate exchange transactions.

The Chicago Exchange was designed for a large dispersed group such as would be found over a state, region, or large city. A small community--as in the case of some European towns that employed such an exchange--would have a much simpler organization, one that would not require a special periodical or field man. Such an exchange gives the small community and region opportunity to redevelop its local economy. If the nation cannot buy sufficient goods from the local community to give it full employment and prosperity, this new type of exchange causes the community to develop full employment for its members in supplying its own needs.

The exchange dollar was backed with ninety cents of national currency. Members could buy exchange dollars for ninety cents. If they did not trade with their scrip, they suffered loss because the exchange dollar lost value if there was not added a one-cent exchange stamp every month. All exchange members were committed to

accept this scrip at par value from fellow businessmen and from consumers. If they had more exchange scrip than they could use they could convert back into United States currency at the ten percent discount. Thus businessmen and consumers were given incentive to buy from and to employ exchange members.

The exchange demonstrated a strong tendency to spread in time of a "buyers market" or of depression. Merchants are anxious to sell their goods for exchange certificates even if a small proportion of their scrip income must be redeemed in national currency at a discount. People who have exchange scrip desire to spend it quickly to avoid the loss resulting from its "demurrage" or depreciation. If one merchant rejects exchange scrip the consumer will take his patronage to the merchant who will accept it; thus it is in the interest of all to accept the scrip and to purchase goods and services with it as rapidly as possible.

In our opinion, it was the most modern and beneficial cooperative existing between merchants and consumers and has resulted in many lifelong friendships, understanding, and a sense of fair dealing among the users of Trade Dollars, businessmen and customers alike. It created one big family out of many factions, which otherwise would not understand each other. It was effected by the use of an unhoardable medium of exchange circulating at high speed among users, and showing with every exchange the necessity of cooperation for the common good.

The question is often raised, what will the community exchange do with the taxation of its scrip, over and above exchange operating expenses? Since the depreciation of the currency is a formal recognition of the depreciation of the goods which our national currency is ultimately based upon--houses, factories, and reserves of wealth--the surplus of income from the exchange rightly belongs to the community and should be spent for public purposes. All who accept exchange scrip are therefore voluntarily accepting a taxation for public benefit.

The United Trade Dollar Exchange was organized and incorporated under the laws of the State of Illinois September 1, 1937, and operated successfully until December 21, 1943, on which day the Exchange was voluntarily dissolved due to wartime conditions. The following is a brief outline of the organization of this exchange.

Capital: The stated capital of the Exchange at the time of incorporation was a total of \$1000.00, consisting of 100 shares at \$10.00 each. Each share represented one vote. The money received from the sale of these shares was kept in the general fund at all times, because the operation of the Exchange was on a pay-as-you-go basis. To start operating, only a fraction of this sum was required and was raised by the charter members before the incorporation. The issuing of stock was at that time more for the purpose of securing



votes and in general to secure the interest of the members, which helped in the establishment of the Exchange. A dividend has been paid on the shares every year.

Stockholders: The number of stockholders ultimately reached 37, among whom the 100 shares were distributed. The shares could only be transferred through the Exchange.

Directors: The Board of Directors consisted of seven stockholders.

Purpose: The purpose of the Exchange was twofold:

(1) To stimulate and increase trade among members and associates by the use of a nonhoardable medium called Trade Dollars.

(2) To educate members and friends toward a better understanding of our monetary and economic system.

Membership: The membership consisted of over 300 small and medium sized business or professional men; the total users of Trade Dollars, however, ran between seven and eight hundred. Members paid one Trade Dollar initiation fee and one Trade Dollar per month. These members were entitled to free listing in the official paper and directory of the Exchange, and they also had the privilege of liquidating Trade Dollars in excess of their need. Participating members paid one Trade Dollar each three months. They were consumers, not in business, or did not care to be listed in the directory.

Directory: The official paper or directory was published every two weeks and contained the listing of the members, also editorials and other items which were of interest to the members. All Exchange announcements, numerous ads from the members, and the like made up the eight-page paper. Full-paying members were entitled to listing under three separate titles. For example: An appliance store could be listed under radios, washing machines, and refrigerators. The paper was distributed free and served as a guide for others to see where Trade Dollars were especially wanted and welcome, judging by the ads, or the listing.

Expenses: The general expenses for printing, stationery, salaries, commissions, rent, taxes, etc., were raised through membership fees, profits on numerous entertainments, parties, picnics, etc.

Fieldmen: In order to give service to members and keep in constant contact with all members, so-called fieldmen were required to visit every member at least once every two weeks. They worked on a commission basis, paid out of ads, fees, and securing new members.

SAMPLES OF EXCHANGE CURRENCY

16. Cent	16. Cent	16. Cent	16. Cent
16. Cent	16. Cent	16. Cent	16. Cent

1931

1

16. Nov	16. Dec
1 Cent	1 Cent

1931

Eine Wära = 100 Cent kostet eine RM., wenn von der Tauschgesellschaft kein anderer Preis auf Grund ihrer Richtlinien bekannt gegeben ist. Wära wird von allen Mitgliedern der Tauschgesellschaft in Zahlung genommen. Die Geschäftsstelle und die Wechselstellen der Tauschgesellschaft erheben, wenn sie Wära gegen Mark o. andere Geldsorten zurückkaufen, eine Umtauschgebühr von 1%. Von dieser Gebühr kann Befreiung gewährt werden. An den in den Feldern bezeichneten Tagen

EINE WÄRA

TAUSCHGESELLSCHAFT

Kaiserstrasse 1 A. R. H. H. H.

Kaiserstrasse 1 A. R. H. H. H.

Serie B 17869

trifft ein Preisverlust von 1% ein, falls der Verlust nicht durch Aufkleben entsprechender Centmarken auf die betreffenden Felder ausgeglichen wird. Vom 20. Dez. 1931 bis 10. Jan. 1932 wird die Wära von der Geschäftsstelle und den Wechselstellen der Tauschgesellschaft gegen Wära des Jahres 1932 kostenlos umgetauscht unter Abzug etwa fehlender Centmarken. Nach dem 10. Jan. 1932 wird dieser Schein von der Tauschgesellschaft nicht mehr angenommen.

THE YELLOW SPRINGS EXCHANGE

agrees to supply the bearer on demand, in return for this

YELLOW SPRINGS EXCHANGE

on goods or services on hand at its headquarters at Yellow Springs, Ohio at any branch Exchange.

THIS EXCHANGE CREDIT EXPIRES

**\$1.00**  
IN TRADE

**THIS TRADE-DOLLAR CERTIFICATE**

is secured by cash for the sole purpose of redeeming the same for members and subject to the rules of the Exchange. It expires three years after date of issue.

This is a practical demonstration that uninterrupted

**CIRCULATION**

MEANS

**BUSINESS AND PROSPERITY**

**\$1.00**  
IN TRADE

**\$1.00**  
IN TRADE

**\$1.00**  
IN TRADE

**UNITED TRADE DOLLAR EXCHANGE**

CHICAGO, ILLINOIS

STAMP April 1 DATE July 1 STAMP Oct. 1 DATE

PROGRESS 2c U. T. R.

Seal

To keep at par value, a U. T. D. Stamp must be affixed or 2c cash be paid on stamp day as indicated. It makes this certificate

**NON - HOARDABLE**

**\$1.00**  
IN TRADE

**\$1.00**  
IN TRADE

**\$1.00**  
IN TRADE

**UNITED TRADE DOLLAR EXCHANGE**

CHICAGO, ILLINOIS

To facilitate continuous circulation and prevent hoarding, all Trade Dollar Certificates bear a serial number, 1, 2 or 3. Every first weekday of January, May and September, one series shall be called up by way of secret drawing and exchanged for new certificates within 30 days at a fee of 3c each. The same fee shall be charged for every month thereafter. This system makes all Trade Dollar Certificates

**NON-HOARDABLE**

**\$1.00**  
IN TRADE

**\$1.00**  
IN TRADE

AN  
ORGANIZATION  
OF  
BUSINESS  
AND  
PROFESSIONAL  
MEN

# UNITED TRADE DOLLAR

## EXCHANGE INC.

DR. ERIC G. TAVS, President  
F. A. Winger, Vice-President  
R. A. Ching, Treasurer  
Fritz Schmieder, Secretary

226 North Cicero Ave.  
S. Edward Bloom  
CORPORATION ATTORNEY

BOARD of DIRECTORS  
Edmund R. Abell  
John Lix, Wm. Hibach  
and Officers

### MEETING NOTICE

Regular Meeting  
2nd Monday of  
every month  
9:00 P. M.  
Social Meeting  
4th Monday of  
every month  
9:00 P. M.  
VIKING HALL  
2741 W. North Avenue

Friday, January 10, 1941

### BEEF STEAK BILL'S COLUMN

Happy New Year Ed!

Well, everything is in good shape among the Trade Dollar members. I am happy to report. Most of them enjoyed some very nice holiday business and Trade Dollars moved rapidly.

I had a long talk with Jerry De Neve, ex-president of the Trade Dollar Club who was vacationing in Chicago last month. Jerry is now operating a restaurant in Corpus Christi, Texas, and reports that his business is good, but he sadly misses the Trade Dollar Club, and also said that Trade Dollar members don't realize how fortunate they are in having such a progressive club promoting new business for them.

John Anderson reports that his Christmas tree venture was a profitable one and thanks Trade Dollar members who patronized him.

We hope that John is on deck with more trees next year and triples the Trade Dollar business he did this Christmas.

Dr. F. A. Paradise, who was away on a two week vacation, is back again and started the New Year right by making a nice purchase of Trade Dollars.

E. A. Christensen, owner of Witte's Drug Store, reports that his Trade Dollar business has shown satisfactory progress and he looks for further improvement during the coming year. His success in the Trade Dollar field is well merited; as he is always willing to buy Trade Dollars and put them into circulation when he has none on hand.

Walter Ebel, the hard working president of the Booster Club the past day, Ed is already planning for the next Booster gathering which is to be held January 27th at Viking Hall. The Trade game will be played and bigger and better prizes will be offered for the fortunate ones.

Max Hoelck, the enterprising owner of the Albany Grocery made a dandy Santa Claus at the Christmas party and also rendered good service as Master of Ceremonies in the dancing which followed. Incidentally the music provided by the Three Esquires was also high class and met with the approval of the happy crowd which was on hand.

Congratulations are due Dr. Eric G. Tavs who was high man in putting Trade Dollars into circulation during 1940, with 766 to his credit. Honorable mention goes to E. R. Abell, with 778 and Paul C. Belendorf with 765.

Mrs. Srague of the Maplewood Style Shop is offering a Ten Dollar credit on a fur coat at a price at the next Trade gathering. She reports doing a nice business in Trade Dollars during the holiday season and hopes that it keeps up.

Frank Winter reports a very nice Christmas business and that Trade Dollars were very much in evidence.

Betty's Smart Shoppe is donating a five dollar dress which will be one of the many prizes offered for the last game of Trade at the next Booster Nite, January 27th. Incidentally, brides-to-be are hereby advised to pay this store a

### HARE-BRAINED HENRY HUSCAP



### A MESSAGE FOR THE NEW YEAR

Greetings from the officers and Directors of the U. T. D. organization for an active, progressive year! Our club, which is now nearly three and one-half years old, has from its beginning enjoyed a steady and healthy growth, which attests to the sound and workable principles upon which its founders based it. As time goes on, it is proving more and more its worth, not only from the business-building side, but also from the social side.

The Board of Directors is constantly striving and working to improve and advance the working methods of the club. The latest advancement and benefit for everyone active in the club, is that stamps for Trade Dollars can now be purchased with Trade Dollars, which in my opinion is a mighty fine thing since it will help to keep all members well supplied with stamps at all times. For further details in this connection, consult Mr. Ching, our field representative. In conclusion, be assured that the board will continue to bend every effort to make improvements and changes whenever it is for the best interest of the club generally, and that the cooperation of its members is of first importance in helping to build the club stronger and in extending its services. Such cooperation is appreciated by the officers and board of directors.

Yours for advancement,  
Dr. Eric G. Tavs,  
President

### SYMPATHY

The sympathy of the Trade Dollar Club is extended to Al and Fred Timmreck in the loss of their father who died recently at an advanced age, of a heart ailment.

visit and get some valuable ideas on a bewitching tressouan. Well, Ed, I put on so much weight during the holidays that I'd better get over to Henry Hosp's, who promises to knock off 20 pounds by Easter. So good bye for now.

### FRITZ SCHMIEDER ENTERTAINS BOARD

Last Monday evening, January 6th, the Board of Directors of the United Trade Dollar Exchange, were the guests of Mr. and Mrs. Fritz Schmieder.

Mr. Schmieder has been the



Fritz Schmieder

club's efficient secretary since its beginning nearly three and a half years ago, and deserves a big vote of thanks. Much of the success of the club can be credited to his energetic and faithful work.

### New Year Resolutions

1. RESOLVE  
To buy at least ten Trade Dollars every month.
- To always have some Trade Dollars and stamps on hand.
- To spend Trade Dollars to the utmost of my ability.
- To patronize my fellow members whenever possible.
- To never spend cash if it is possible to use Trade Dollars.
- To do unto others as I would have them do to unto me

### NOTICE

The first business meeting of the Trade Dollar Club will be held Monday evening, January 13th. Dividends will be distributed and other business transacted. Members are urged to start the new year right by attending meetings.

### WE SELL

ONLY THE BEST

ALBANY GROCERY  
& MARKET

3101 DIVERSEY AVE.  
PHONE BELMONT 4151

FROSTED FOODS

Trade Dollars Welcome

### A STOLEN CAR

On December Ninth, Nineteen Forty

Gerhardt Kraus was feeling sporty:

He had saved his pennies from near and far

Till he had enough to buy a car.

He went shopping, feeling gay

And drove home in a Chevrolet.

To let it stand on the street would be sin,

So he rented a garage to put it in.

He told his wife and Margaret too

That, drive the car, he would not do.

For he did not care to tempt the fates

By driving without license plates.

The plates arrived one Saturday mite.

Said Kraus, "I'll bolt them on good and tight;

Then with Lena and Margaret inside

I'll take it out for a nice joy ride.

But soon a wild cry filled the air,

"Two like a lost soul in despair:

"My beautiful car is gone!" shrieked Kraus;

"And the one who took it is a dirty louse."

Down to the police he quickly went,

Radio calls far and wide were sent;

A hunt was made without any luck,

Said Barber Kraus, I guess I'm stuck.

The days that followed were full of woe,

His heart was heavy and his steps were slow;

"I still say," mumbled Gerhardt Kraus,

Whoever took my car is a louse."

The twenty-eighth day of December

Is one that he will long remember;

The phone rang. The world spun around

As he heard a voice say "Your car is found."

With Lena beside him as he goes for a drive,

There is not a happier man alive,

"I've got my car, I should feel merry"

Says the little barber by the name of Jerry.

### "THE BOOSTERS"

The regular monthly gathering of the Booster Club will be held at Viking Hall, 2741 West North Avenue on the evening of January 27th, at 8 p. m. sharp.

Bring your friends and play TRADO, the Trade Dollar game. Lots of fun and lots of prizes.

A corporal was marching in front of his squad when he overheard a voice in the rear rank say, "This squad is just like a flivver. The crank is in front."

"Yes," snapped the corporal, "and the nuts are all behind."

### What is A Trade Dollar?

A Trade Dollar is a certificate sold to anyone for checks, notes in cash and accepted by a large group of merchants, professional men, artisans and others, as a dollar in payment for goods and services.

Why is it inflated?

The inflation is deemed necessary to induce people to buy them and at the same time compensate them for any disadvantage they may suffer owing to the fact that Trade Dollars are not as spendable as U. S. currency.

Why are stamps affixed?

Stamps are used in order that all who benefit through the use of Trade Dollars shall be taxed equally to provide payment of overhead and compensate members who are put to some trouble and expense in cooperating with the Trade Dollar Exchange.

Why use Trade Dollars?

The Trade Dollar is "non-inflatable" and thus circulates much faster than a U. S. dollar, and being slightly inflated tends to increase the buying power of all who cooperate.

Why should salesmen accept Trade Dollars?

By accepting and using Trade Dollars, you gain the good will of the merchant whom you sell and encourage him to push your product, which results in more sales for you.

### Walter Ebel Was Stung

Our deepest sympathy is extended to Walter Ebel who was the victim of a rather mean practical joke at the Santa Claus Party.

Some unauthorized person phoned Walter and told him that he could have the job of Santa Claus at the party and that he would be paid \$5.00 for his efforts.

Walter gladly accepted and appeared early dressed up as a well stuffed Santa Claus only to find that another Santa Claus was on the job. Walter immediately claimed priority owing to the fact that he was an older member. However, when it came time for the other Santa Claus was receiving no compensation; he left the party and hurried back with the suit. But in spite of all his pleading, he was charged a dollar for the use of the costume.

### STAMPS

At a meeting of the Board of the United Trade Dollar organization held January 6, 1941, a rule was made whereby Trade Dollars will be accepted in payment for stamps at the rate of thirty stamps for one Trade Dollar.

However, Trade Dollars used for such purpose should be either out of date or have four stamps on them.



### JANUARY CLEARANCE SALE!

ON ALL WINTER COATS  
Some as low as \$10.00

Betty's Smart Shoppe  
4303 FULLERTON AVENUE

Phone Albany 9780

TRADE DOLLARS WELCOME

### ALBERT W. COOK & SONS CUSTOM TAILORS

MEN'S FURNISHINGS  
Reduced Prices This  
Month on all Suits  
Overcoats and  
Men's Wear

3931 N. ASHLAND AVE.  
PHONE LAKEVIEW 5449  
Trade Dollars Welcome



# UNITED TRADE DOLLAR USERS

The following merchants and professional men accept and use United Trade Dollars. Any merchant or professional man desiring to become a member of the United Trade Dollar Exchange, Inc., should see one of these listed below.

## ATHLETIC CLUBS

Hazards Social Athletic Club  
1831 N. Western St.

Glee Athletic Club  
2947 W. Cortland St.

Auto Parts & Accessories  
Oak Leaf Motors  
218 Madison St. Oak Park. Ans. 1782

## ARTIFICIAL FLOWERS

Bungalow Flower & Gift Shop  
3617 Fullerton Ave. Spa. 1127

## AUTO REPAIR

Olsen Motor Company  
118 N. Crawford Ave.  
Van Buren 2122

Criterion Auto Service Co.  
3250 W. Irving Park Rd.  
Pallade 7040

Major Lawrence Service Station  
5701 Lawrence Ave. Pal. 7306

Rich Heuser  
2825 N. California Ave. Alb. 1550

Joe Buehler  
Laverne Automotive Service  
5063 W. Chicago Ave. Ans. 1485

## AUTO SALES

Oak Leaf Motors  
218 Madison St. Oak Park. Ans. 1782

Dodge & Plymouth Dealers  
AWNINGS

West Side Awning Co.  
5443 W. Division St. Ans. 8106

## BAKERIES

March's Bakery  
3137 W. Division St. Col. 3019

Schneider's Home Bakery  
294 N. Cicero Ave. Mans. 0090

## BARBERS

Joe's Barber Shop  
1730 N. Kedzie Ave. Joe. Plank

De Bane Bros. Barber Shop  
4530 W. Madison St. Mans. 0657

Kraus Barber Shop  
3302 Fullerton Ave. Alb. 0292

Mont Clare Barber Shop  
7041 W. Grand Ave.

Emil J. Wolter, Barber  
3302 Fullerton Ave. Albany 0292

## BATHS

Henry Hosp  
3821 Lincoln Ave.

## BATTERIES

Criterion Auto Service Co.  
3250 W. Irving Park Rd.  
Pallade 7040

"Ed's" Service Station  
7550 Belmont Ave. Lack. 9021

Johnny's Corner Service Station  
5350 Addison St. Pal. 7018

Joe's Battery & Tire Service  
1010 N. Rockwell St. Arm. 5828

Hibsch Service Station  
4735 W. Fullerton Ave. Berk. 7957

Laverne Automotive Service  
5063 W. Chicago Ave. Ans. 1485

Logan Service Station  
4156 N. Western Ave. Irr. 3490

## BEAUTY SALONS

Forgat Ma Not Beauty Shop  
1843 N. Damen Ave. Hum. 1244

## BEVERAGES

Brubaker Bros.  
5437 W. Division St. Ans. 2782

## BIRD SHOP

Armstrong Floral & Bird Shop  
2135 N. Rockwell St. Hum. 2450

## BUILDING REPAIRS

The Reyerston  
2444 Southport Ave. Linc. 4061

H. L. Tripp, Carpenter,  
4854 Bertraw Ave.

## CARPENTER

H. L. Tripp, Carpenter,  
4854 Bertraw Ave.

The Reyerston  
2444 Southport Ave. Linc. 4061

## CARPETS AND RUGS

Home Weaving Works  
1865 Milwaukee Ave. Hum. 2158

## CHEMICALS

Extenuating Supply  
Lien Chemical Co.  
4353 Avondale Pallade 7380

## CLEANERS AND DYERS

John Litz  
4341 Lincoln Ave. Buc. 2293

Mayfair Cleaners  
4923 Chicago Ave. Ans. 4314

## COAL

Jacobson Bros.  
2323 N. Knox Ave. Bel. 2080

CONTRACTOR—Mason & Cement  
Joseph Pratscher  
3334 W. North Ave. Alb. 3937

## DANCING SCHOOLS

Master Conservatory of Music  
4063 Milwaukee Ave. Pal. 4068

## DRUG STORES

Dr. Robert Burns  
2756 Diversey Ave. Arm. 6500

Dr. Warren W. Eggers  
2544 Diversey Ave. Bel. 7884

Dr. K. J. Henson  
5053 W. Division St. Est. 1118

Dr. Roy C. Suite  
3140 Fullerton Ave. Spa. 9400

## DRUG STORES

Abell Drug Store  
1900 N. California Ave. Hum. 0827

Arnold Pharmacy  
2858 Diversey Ave. Alb. 1932

Bilski Pharmacy  
5825 Belmont Ave. Berk. 4820

Sayre Pharmacy (John Oik)  
5874 Fullerton Ave. Mer. 9618

Theo. J. Zielinsky, Drugs  
3801 Belmont Ave. Jun. 0241

Witte's Pharmacy  
3976 Elston Ave. Irr. 0098

## DRY GOODS

Engel's Dry Goods  
5323 W. North Ave. Mer. 3005

Greenberg Dry Goods  
2824 Diversey Ave. Alb. 1963

Walter Kotecki  
5755 Higgins Rd. Pal. 6174

## ELECTRICAL CONTRACTORS

M. K. Sign Service  
3723 Milwaukee Ave. KH. 2525

## ELECTRICAL HOUSEHOLD APPLIANCES

Belden Furniture Co.  
1824-26 Lincoln Ave. Grn. 2324

## FLAG STONES FOR ROCK GARDENS

Wm. Foggensee  
5449 Neenah Ave. Pal. 5291

## FLORISTS

Armstrong Floral and Bird Shop  
2135 N. Rockwell St. Hum. 2450

Walter Christensen  
5748 Fullerton Ave. Alb. 8700

Pete Lunke  
5500 W. Division St. Ans. 8711

## FOOD SHOP

Ideal Food Shop  
3508 W. North Ave. Cap. 6240

Ruth's Food Shop  
3508 N. Cicero Ave. Ave. 2124

## FURNITURE

Michael Belden Furniture Co.  
4048-50 N. Lincoln Ave. Grn. 2324

National Bedding Co.  
3116 Fullerton Ave. Alb. 0678

## FURRIERS

John Litz  
4341 Lincoln Ave. Buc. 2293

## GASOLINE STATIONS

Mitchell Bros. Service Station  
831 N. Cicero Ave. Mans. 0674

5201 Grand Ave. Ber. 1321

5401 Montrose Ave. Pal. 19110

All Service & Tire Co.  
2317 Armitage Ave. Arm. 10060

Joe's Battery & Tire Service  
1010 N. Rockwell St. Arm. 5828

Birn's Service Station  
2253 Milwaukee Ave.

"Ed's" Service Station  
7550 Belmont Ave. Lack. 9021

Hibsch Service Station  
4735 W. Fullerton Ave. Berk. 7957

Leonard Wernquist,  
Pure Oil Station  
5817 Augusta Blvd. Col. 10062

Logan Service Station  
4156 N. Western Ave. Irr. 3490

Johnny's Corner Service Station  
5350 Addison St. Pal. 7018

Major Lawrence Service Station  
5701 Lawrence Ave. Pal. 7306

O'Connor Brothers  
Conoco Service Station  
4200 Fullerton Ave. Alb. 8367

Schaefer Gasoline Service Station  
5556 W. Addison St. Mans. 6451

Albert Timmreck Gas Station  
6056 W. Division St. Mans. 7847

Wildner Service Station  
3735 W. North Ave. Alb. 9448

## NEW MEMBERS

F. Wollerman, Grocer  
1356 Diversey Ave. Buck. 8694

Emil J. Wolter, Barber  
3302 Fullerton Ave. Albany 0292

Three Esquires — Orchestra  
3101 Diversey Ave. Belmont 4151

John C. Storey  
Major Lawrence Service Station  
5701 Lawrence Ave. Pal. 7306

## GLASS AND MIRRORS

Adin Glass Co.  
5050 Irving Park Rd. Ave. 5838

## GIFT SHOP

Bungalow Flower & Gift Shop  
3617 Fullerton Ave. Spa. 1127

## GROCERIES

F. Wollerman, Grocer  
1356 Diversey Ave. Buck. 8694

Wollerman's Grocery  
7542 Addison Street Lack. 9659

Paul C. Bollenberg  
5860 W. North Ave. Mer. 2284

R. Victor Hagstad  
5828 W. Division St. Ans. 8242

Albany Grocery & Market  
3101 Diversey Ave. Bel. 4151

Tom Camillelli  
6105 Addison St. Pen. 4908

Charlie's Market  
630 N. Cicero Ave. Ans. 9496

Dreffein Bros.  
1325 N. Central Ave. Man. 3651

Walter Kotecki  
5755 Higgins Rd. Pal. 6174

Mrs. M. Sanderson  
3816 Wrightwood Ave. Bel. 1227

Ruth's Food Shop  
3508 N. Cicero Ave. Ave. 2124

Larry's Food Shop  
2507 W. North Ave. Bru. 6214

Ideal Food Shop  
3508 W. North Ave. Cap. 4940

## HABERDASHERS

Cragin Haberdasher  
5835 W. Fullerton Ave.

Philip Fidler  
2051 Milwaukee Ave.

A. A. Gustafson, Inc.  
3200 N. Clark St. Rav. 7049

## HARDWARE

Cragin Hardware & Paint  
4208 Armitage Ave. Bel. 4118

S. O'Hara  
5019 Fullerton Ave. Berk. 7818

P. H. Zimmerman  
5865 W. North Ave. Mer. 9807

Winter Hardware  
6009 Fullerton Ave. Mer. 9809

## INFANT WEAR

Engel's Dry Goods  
5323 W. North Ave. Mer. 3005

Greenberg Dry Goods  
2824 Diversey Ave. Alb. 1963

## INSURANCE

C. H. Anderson  
3206 N. Clark St. L. V. 6492

Walter P. Ebel  
3620 N. Laramie Ave. Ave. 4892

Fred W. Hartman  
5134 V. Chicago Ave.  
Office: Estebrook 0500  
Res.: Columbus 5448

## JANITOR AND SANITARY SUPPLIES

Lien Chemical Co.  
4353 Avondale Ave. Pal. 7380

## JEWELRY

O. B. Anderson  
3054 Armitage Ave. Cap. 2683

H. R. Merrick  
2808 Diversey Ave. Hum. 2663

## LADIES' CUSTOM TAILOR

John Litz  
4341 Lincoln Ave. Buc. 2293

## LADIES' WEARING APPAREL

Betty's Smart Shoppe  
4303 Fullerton Ave. Alb. 9750

Maplewood Style Shoppe  
2119 Milwaukee Ave. Bru. 1670

Frank Winger  
3615 Fullerton Ave. Spa. 5454

## LAUNDRIES

Favorite Wet Wash Laundries, Inc.  
1703 N. California Bru. 1206

Schuttler's Laundry  
4829 W. Division St. Mans. 9300

## LINOLEUMS

Home Weaving Works  
1665 Milwaukee Ave. Hum. 2153

## LIQUORS AND WINES

Brubaker Bros.  
5437 W. Division St. Ans. 2782

Ye Old Tavern & Liqueur Store  
4746 Armitage Ave. Ber. 4805

## MASON CONTRACTORS

Wm. Foggensee  
5119 Neenah Ave. Pal. 5291

## MASSAGE

Henry Hosp  
3821 Lincoln Ave. Graciel. 6590

## MEAT MARKETS

Paul C. Bollenberg  
4351 Lincoln Ave. L. V. 4861

Charlie's Market  
650 N. Cicero Ave. Ans. 9496

Dreffein Bros.  
1325 N. Central Ave. Man. 3651

A. Gopperth  
3504 Elston Ave. Irr. 9305

R. Gunderson  
5340 W. North Ave. Mer. 9004

Muench Bros.  
3254 Armitage Ave. Ans. 6120

Hammer Market  
3737 Fullerton Ave. Alb. 2454

Hilbert's Meat Market  
4744 Armitage Ave. Bel. 5221

Walter Kotecki  
5755 Higgins Rd. Pal. 6174

Liermann's Market  
2100 N. California Hum. 0067

Charles Mammel  
5211 Irving Park Rd. Pal. 8092

Albany Grocery & Market  
3101 Diversey Ave. Bel. 4151

Vancelow's Market  
2603 Addison St. Pal. 6032

## MEN'S FURNISHINGS

Albert W. Cook  
3831 N. Ashland L. V. 5419

Cragin Haberdasher  
5835 W. Fullerton Ave.

M. J. Even & Sons  
3011 Lincoln Ave. Grn. 0911

Philip Fidler  
2051 Milwaukee Ave.

Axel A. Gustafson, Inc.  
5200 N. Clark St. Rav. 7049

Frank Winger  
3615 Fullerton Ave. Spa. 5454

## MILK

Ogden Dairy (E. D. Erickson)  
4818 W. Race Ave. Est. 1376

H. W. Reeves  
2021 N. Kildare Alb. 2875

Sorenson Dairy Products  
3506 N. Cicero Ave. Ave. 2124

## MILLINERY

Betty's Smart Shoppe  
4303 Fullerton Ave. Alb. 9750

Maplewood Style Shoppe  
2119 Milwaukee Ave. Bru. 1670

## MOTOR TUNING

Olsen Motor Company  
118 N. Crawford Ave. Van. R. 2122

## CARBURETOR SERVICE

MOVING & EXPRESSING  
Jacobson Bros.  
2823 N. Knox Ave. Bel. 2080

## MUSIC SCHOOL

Master Conservatory of Music  
4063 Milwaukee Ave. Pal. 4068

## NOVELTIES

St. Elmo Stamp & Novelty Shop  
4316 1/2 Lincoln Ave.  
Ravenswood 2557

## OPTOMETRISTS

Dr. H. R. Merrick  
2900 Diversey Ave. Hum. 3063

Dr. Eric G. Tava  
3508 Fullerton Ave. Bel. 5234

## ORCHESTRAS

Master Conservatory of Music  
4063 Milwaukee Ave. Pal. 4068

Three Esquires — Orchestra  
3101 Diversey Ave. Belmont 4151

## PAINTS

R. A. Bergman  
4775 Milwaukee Ave. Pal. 2540

Cragin Hardware & Paint  
4208 Armitage Ave. Bel. 4118

Winter Hardware  
6009 Diversey Ave. Mer. 1449

# United Trade Dollar Users, cont'd.

**COURTESY SERVICE TO ALL**  
**NIBSCH SERVICE STATION**  
 4735 Fullerton Ave.  
*Sinclairize Your Car*  
 Gas - Oils - Repairs  
 BERSHIRE 7957  
 —United Trade Dollars Accepted—

## SHOES

Bill's Shoe Store  
 4205 Armitage Ave.  
 M. J. Even & Sons  
 3011 Lincoln Ave. Gra. 0911  
 Axel A. Gustafson, Inc.  
 5300 N. Clark St. Bay. 7049  
 Frank Klampferer  
 5461 W. Division St. Col. 6200  
 Newman's Shoe Store  
 744 W. North Ave. Mohawk 2732  
 Shafer's Boot Shop  
 2046 Milwaukee Ave. Hum. 0021

## SHOE REPAIRING

Bill's Shoe Store  
 4205 Armitage Ave.  
 Frank Klampferer  
 5461 Division St. Col. 6200

## SIGNS — NEON

M & M Sign Service  
 3723 Milwaukee Ave. KIL 2525

## SPORTING GOODS

S. Ofara  
 5010 Fullerton Ave. Ber. 7818  
 S. Spiegel  
 3521 W. North Ave. Bel. 7723

## STAMPS

St. Elmo Stamp & Novelty Shop  
 4318 1/2 Lincoln Ave.  
 Ravenswood 2557

## STATIONERY

S. Spiegel  
 3521 W. North Ave. Bel. 7723

## STORE FIXTURES

Thos. Reymerton  
 1454 N. California V. B. 2815

## TAILORS

Albert W. Cook  
 2831 N. Ashland Ave. L. V. 5449  
 John Lin  
 4341 Division Ave. Roe. 2283  
 Nick Pesch  
 3300 W. North Ave. Alb. 9230

## TAVERNS

Cedar Lodge Tavern  
 3155 Fullerton Ave. Alb. 2409  
 Hollywood Tavern  
 5437 W. Division St. Aug. 2782  
 Ye Old Tavern & Liquor Store  
 4740 Armitage Ave. Ber. 4008  
 White House Tavern & Restaurants  
 9300 Irving Park Road  
 Franklin Park 185

## TIRES

All Service & Tire Co.  
 2317 Armitage Ave. Arm. 10080  
 Johnny's Corner  
 5355 Addison St. Pal. 7618  
 Joe's Battery & Tire Service  
 1610 N. Rockwell St. Arm. 5826

Schaefer Gasoline Service Station  
 5856 W. Addison St. Pen. 6451

## UPHOLSTERING

National Bedding Co.  
 3716 Fullerton Ave. Alb. 0078

## Vacuum Cleaner Service

Monarch Washing Machine & Vacuum Cleaner Service  
 3811 W. North Ave. Alb. 2102

## WALLPAPER

R. A. Bergman  
 4775 Milwaukee Ave. Pal. 2500  
 4049 W. North Ave. Bel. 3000

## Washing Machine Service

Monarch Washing Machine & Vacuum Cleaner Service  
 3811 W. North Ave. Alb. 2102

## WATCH REPAIRING

O. B. Andersen  
 3054 Armitage Ave. Cap. 2583  
 H. R. Merrick  
 2809 Diversy Ave. Hum. 3363

## WINDOW SHADES

Fred Timmer  
 4932 W. Division St. Man. 0233

## WHOLESALE

**BEVERAGES**  
 —runkle Bros.—  
 5437 W. Division St. Ana. 2782  
**BUTTER & EGGS**  
 Sorenson Dairy Products  
 3308 N. Cicero Ave. Ave. 2124  
**CHEMICALS**  
 Lion Chemical Co.  
 4353 Avondale Ave. Pal. 7330  
**OILS**  
 Pennsylvania Oil Co.  
 420 N. Western Ave. Sec. 8200  
**PAPER**  
 Drath Paper Co.  
 832 W. Hubbard St. Hay. 2500  
 Arthur J. Sullivan  
 4020 Gladys Ave. Hay. 2500

## List of the Stations Where United Trade Dollars and Stamps May be Purchased

R. A. Ching, Business Agent  
 3308 W. North Ave. Cap. 4240

Edmund R. Abell  
 1900 N. California Ave.  
 Humboldt 0827-6121

John Lin  
 4341 Lincoln Ave. Buck. 2293

Fritz Schmieder  
 225 N. Cicero Ave. Mana. 0980

Dr. Eric G. Tava  
 3508 Fullerton Ave. Bel. 5284

Frank Winger  
 3615 Fullerton Ave. Spa. 5454

## Glove Wardrobe



"What shall I choose?" muses Helen Jepson, voted best dressed opera star, as she surveys a collection of American-made gloves. What does an opera star wear when she is not trailing courtly robes about the Metropolitan opera stage? As you will note in this picture Miss Jepson wears quite simple tailored suits and coat-and-dress ensembles in the daytime. She likes vivid colors and dares to wear them despite the old idea that blondes shouldn't. Her hair can be described as dashing. When it comes to gloves she has very decided ideas. The greater part of the time Miss Jepson wears white gloves. In selecting colored ones she usually matches them to her hat or the trimming on her hat. She prefers the velvet-finished leathers, doekskins, suedes and mochas, and she insists that they be washable. That's one reason, of course, why you find so many pairs of American-made gloves in her wardrobe, because American doekskins, suedes and mochas wash beautifully. She carries a wardrobe of 10 pairs of gloves and she washes them herself.

## TOM O'CONNOR SERVICE STATION

WASHING - SIMONIZING PAINTING  
 4200 FULLERTON AVE.  
 ALBANY 8357  
 TRADE DOLLARS WELCOME

## Colorful Wool



There certainly is a pronounced trend to bright and pastel wools used for dresses, suits, coats and ensembles. It is the opinion among fashion-informed leaders that the coming season will be one of the most colorful we have seen for years. Even now advance style apparel showings have taken on a lighter look. While of course navy and black will hold its own, yet these darker effects are not overwhelming in the majority as has been the case during the past several years. The lighter blues, pastel greens, beige, oatmeal tones, some rose, a lively red and later-est-mauve shades will be immensely popular this spring. The picture shows a gown of unaffected charm. It stands for a type that will go "tops" on the spring program. Made of a pale blue Fortman one hundred per cent virgin wool. It classifies at the present moment under small winter pastels. The embroidered panel are unique and new.

## Vitamin Tests by Texas U. to Cover 3-Year Period

AUSTIN, TEXAS.—Tests for the presence and effect of various vitamins on living tissue, both human and animal, will be made over a three-year period with specially designed equipment to be installed by the University of Texas. The research will be financed by the Clayton Foundation of Houston, Tex. It will be under direction of Dr. Roger Williams, University of Texas bio-chemist who achieved distinction last year for artificial production of pantothenic acid, popularly known as the tenth vitamin. When Dr. Williams succeeded in the synthesis of pantothenic acid, he became the first scientist to be credited successfully with discovery, isolation and synthesis of a vitamin.

The Clayton foundation was established by the Texas family of that name which became wealthy in cotton marketing. Benjamin Clayton is president.

The same foundation also is backing an extended study of Malta fever being carried on in a special laboratory built by the university for the purpose.

Join The BOOSTERS and Boost the Trade Dollar Movement

Telephone  
 KILDARE 2525 - 4444

## KOHLER LIGHTING

"KOOLER LIGHT"  
 Fluorescent Lighting  
 R. W. KOHLER, Prop.

3723 Milwaukee Av.  
 TRADE DOLLARS WELCOME

## New Granular Yeast Raises Bread Dough in Two Hours

Breadmaking has emerged from a tedious overnight task to a pleasant daytime duty. It is no longer necessary to set a sponge tonight in order to bake bread tomorrow. Largely responsible for this change in bread-making methods are the new yeasts which act fast. One fast yeast in granular form, and because it is scientifically dried, keeps without refrigeration.



These pictures illustrate the change that should take place during the first rising of bread dough. At left is dough just after it is mixed. Note that it half fills the bowl. It should now be covered and set in a warm place to rise. A temperature between 82 and 84° is most desirable, although the entire room need not be that warm.

Right: Two hours later the dough looks like this. A test to see if it has risen enough is to poke your finger in the dough. When the dough holds a dent without springing back, it is "ready" for folding down. It has fully doubled in volume and completely fills the bowl. The size and texture of the finished loaves depend largely upon giving the dough the correct amount of rising this first time.



## Will Spend \$3,000,000

### To Advance Television

WASHINGTON.—Expenditure of more than \$3,000,000 on research and experimentation with television is proposed by 10 television projects which received the approval of the Federal Communications commission.

This brings the total budgeted for that purpose by the two-score in individuals and firms which have been authorized to date by the commission to engage in experimental operation to \$8,000,000.

## Match Is Believed Cause

### Of This Rooster's Death

PARIS, MO.—A scorched rooster, named was recently displayed here by Mrs. Longnecker.

It came from a Rhode Island Red rooster which Mrs. Longnecker saw in convulsions.

Investigation revealed a burnt match and scorched places on the rooster's body.

She believed the grit in the rooster's gizzard ignited the match.

## MEMBERS ADVERTISING IN THIS PAPER WELCOME MORE TRADE DOLLAR BUSINESS!

## NICK PESCH

3500 West North Avenue

TAILOR

ALBany 9230

United Trade Dollars Accepted

Home is no place to do your washing—save money by sending it EVERY DAY 31 DAY

WEDNESDAY	30 POUNDS	\$1
THURSDAY	WET WASH	
3c each additional lb.		
MONDAY	20 POUNDS	\$1
TUESDAY	WET WASH	
3c each additional lb.		

## SCHUTTLERS LAUNDRIES

We Accept United Trade Dollars  
 4829 W. DIVISION STREET MANfield 9500 - 9501

BRUNSWICK 1206-1207

## FAVORITE WET WASH LAUNDRY, INC.

1703 N. CALIFORNIA AVENUE

(United Trade Dollar Accepted)

## WE WANT TRADE DOLLARS!

Mitchell Bros. Service Stations

831 N. CICERO AVENUE — PHONE MANS. 5874

5801 MONTROSE AVENUE — PHONE PAL. 10110

5201 W. GRAND AVE. BERSHIRE 1331



## For a hurry-to-breakfast aroma try crusty Oatmeal Muffins



Easily made this  
time-saving way

Want to add something different... something more substantial to your breakfast menu for cold mornings? Then be sure to try these crusty little Oatmeal Breakfast Muffins. They're full of old-fashioned goodness and flavor. And their tantalizing aroma is enough to start any sleepyhead bustling toward the breakfast table.

You won't mind preparing these Oatmeal Muffins often, either, for you can measure ingredients and start the muffins the night before. Next morning it takes only a fifty to cut in triple-crimped Spry and whisk the ingredients together. This all-purpose shortening is so pure it allows the nutlike oatmeal flavor to come through perfectly.

Cut, too, this tempting recipe and surprise your family with it tomorrow. You'll vote these Oatmeal Breakfast Muffins a satisfying treat.

### OATMEAL BREAKFAST MUFFINS

1 1/2 cups oat meal  
1 cup rolled oats  
1 cup sifted flour  
1 teaspoon soda  
1/2 teaspoon salt  
2 table-spoons sugar  
1/2 cup Spry triple-crimped shortening  
1 egg, beaten

Pour sour milk over rolled oats and let stand 6 to 8 hours or overnight.

Sift flour with soda, salt and sugar. Cut in Spry until mixture is like meal. Add egg and oatmeal mixture to dry ingredients and stir vigorously until all flour is dampened. Bake in Spry-greased muffin pans in hot oven (425° F.) 25 to 30 minutes. Makes 12 large muffins.

4-11-39 (revised) in this recipe are (small)

### QUALITY FOODS — PRICED RIGHT!

•  
**IDEAL FOOD SHOP**  
3508 W. NORTH AVE.  
PHONE CAPITOL 4248

•  
WE SPECIALIZE IN  
HOME COOKED  
DELICACIES  
•  
TRADE DOLLARS ACCEPTED

**Fruitland Grocery**  
Tom Camille's Prop.  
We feature I. G. A. Groceries  
A Complete line of fruits  
and vegetables  
6105 ADDISON STREET  
PENSACOLA 4906  
United Trade Dollars Accepted

United Trade Dollars Accepted  
**A. ELLISON**  
All Service & Tire Co.  
Super Service Station  
Gasoline—Tires—Batteries  
Greasing and Washing  
2317 ARMITAGE AVENUE  
Ph. Area. 10060

United Trade Dollars Accepted  
**M. SANDERSEN**  
Grocery and Delicatessen  
3616 WRIGHTWOOD AVE.  
BELmont 1127

Friend: (to jilted suitor) Buck up, old man. You'll soon forget about her and be just as happy as before you met her.

Suitor: Oh, no, I shan't. I've bought too much for her on the installment plan.

**DREFFEIN BROS.**  
Grocery & Meat Market  
Quality Merchandise at  
Reasonable Prices  
We Welcome Trade Dollars  
1325 N. Central Av. Man. 3951

**SPAULDING 5454**  
**Frank A. Winger**  
3615 Fullerton Ave.

- Children's Wear
- Ladies' Wear
- Men's Wear
- Household Goods
- Curtains, Blankets
- Small Rugs
- Spreads

United Trade Dollars Accepted

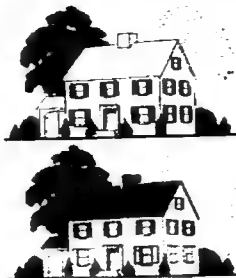
PHONES:  
**COLUMBUS 5448**  
Residence  
**ESTEBROOK 0500**  
**FRED W. HARTMAN**  
**INSURANCE**  
IN ALL ITS  
BRANCHES  
**5134 W. Chicago Ave.**  
TRADE DOLLARS  
ALWAYS WELCOME

## Optical Illusion

Optical illusion is a valuable device when applied to house painting as a means of correcting bad proportions.

Veteran painters and decorators, for example know that if the house seems too high for its length, a dark roof color makes the house appear lower.

When the house has shutters, it



is sometimes desirable to paint the shutters of the upper story the same color as the roof. This is said to bring the roof line visually lower, as the eye will travel to the bottom of the dark shutters. The remaining shutters should be painted the color of the body of the house, unless personal tastes dictate otherwise.

This is just one of the many methods by which color may realign bad proportions.

## Pedestrian Hints

No. 4—Physical Condition of Pedestrian

Modern urban traffic imposes the need for physical fitness upon the pedestrian as well as the man at the wheel. Speed and volume has created multiple hazards that require at least the ordinary good operation of most of the human senses and a normal muscle coordination and reflex action. These statements are the result of data compiled by the Chicago Motor club from numerous surveys, observations and tests. Their need is borne out in the traffic accident reports kept by those cities that consider detailed report of materials of this sort important to future regulation.

One of the constant threats is poor eyesight. The speed with which the modern vehicle moves even when within the regulations set by law, carries it toward a pedestrian at a rate that makes the reduced range of vision one of the worst safety hazards. It is actually possible that persons are walking the streets whose eyesight is so bad that they are unable to see a car until it is so close that the driver is mechanically unable to stop. At 25 miles per hour it takes at least 70 feet to stop a car.

Actual figures are not available, but it is known by those who have from time to time taken spot tests that there are as many and probably more pedestrians under the influence of intoxicating liquors when involved in an accident as there are motorists.

Normal reactions and sometimes leads to a form of bravado that results in injuries and deaths when demonstrated in the traffic lanes. New York studies show that two out of five pedestrians killed had been drinking.

Actual motor club studies show that there are four times as many people killed above the age of 55 as there are in the school age groups. Unquestionably this is due in part to physical defects which the pedestrian refuses to acknowledge or allow for. Rheumatism, for instance, may so badly cripple an individual that his way across the street is too slow and is not realized by the motorists. A pedestrian so afflicted must make every effort to cross streets where he has the protection of a police officer, signal lights, or some other form of traffic control.

Housewife: When was beef the highest?

Butcher: When the cow jumped over the moon.

Fred: Give me a short beer.

Bartender: Pale?

Fred: No, a glass will be enough.



## \$20,000 CUE CLASSIC TO START JAN. 13th

Willie Hoppe, world 3-cushion billiards champion, today was installed favorite in the 1941 World 3-Cushion Billiards Championship Tournament. The \$20,000 cue classic will be held from January 13 to February 12, inclusive, at Bensinger's 131 South Wabash Avenue Arena.

Tom Fitzgibbon, of the Windy City's Metropolitan Billiard Club, and his betting commissioner partner, Will Groves, released their book on billiards "World Series"

with the famous former "boy wonder" of the cue at odds of 8 to 5 to once again gain top honors. Welker Cochran, former world champion and present 18.2 balking king, is second choice at 3 to 1. Cochran, who won three of the first four world title angle events he entered, finished fourth last season.

Jay Boteman, youthful California speed artist, who finished third in the 1940 tourney, is third choice at 4 to 1. Jake Schaefer, grinder of all balkinners, and Joe Charnock of Mexico, the 1938 world champion, are joint fourth choices, being held at 6 to 1.

## SUMMER COTTAGE FOR SALE OR RENT LONG LAKE, ILL.

TRADE DOLLARS ACCEPTED  
**E. R. ABELL**  
HUMBOLDT 0827



100% Food Value for Those Who  
Are Fussy in Choosing Their  
**BAKERY**

**MARSCH'S BAKERY**  
5137 W. Division St. Col. 3019  
(United Trade Dollars Accepted)

**ARNOLD'S BRONCHIAL ELIXIR**  
FOR BRONCHITIS, CHRONIC COUGH and ASTHMA  
**ARNOLD PHARMACY**  
2858 DIVERSEY AVE. • Phone ALBANY 1932  
TRADE DOLLARS WELCOME

"BUY WITH CONFIDENCE  
SERVE WITH PRIDE"

## GUNDERSON'S MARKET

5549 W. NORTH AVENUE  
• 11 YEARS AT THE SAME LOCATION •  
Phone MERRIMAC 9054 Trade Dollars Welcome

## BRUHNKE BROS.

5437-39 W. Division Street  
SILVER PLUM BEVERAGES

Distributors of Bottled and Draught Beers  
— Trade Dollars Accepted —

Area 2782 ..... Telephones ..... Columbus 9118



Meetings: Meetings for the regular membership were held every two weeks. In these meetings guest speakers gave lectures on various subjects.

Trade Dollars and Operation: It was mandatory for all retail members to accept Trade Dollars in trade at full value and on a 100% basis. Wholesalers were allowed to accept them at a percentage basis; on a one hundred dollar purchase the percentage could be fifty dollars currency and fifty Trade Dollars. On purchases in a retail store the transaction was all Trade Dollars, according to the rules. Trade Dollars were sold to all users for 90¢ each, thus giving the user an added 10% in purchasing power to compensate him for any inconvenience for trading with member stores. Members receiving Trade Dollars in such large amounts that they were forced to liquidate some, received 90¢ for each; thus they were penalized 10% in order to discourage liquidation as much as possible. However, experience shows that it was still profitable for all concerned, because part of the Trade Dollars they used for their needs and part for their business with firms accepting Trade Dollars. That reduced the penalty to two or three cents on the dollar.

The question comes up soon, how about the small change, less than a dollar? That is a minor thing, as experience will soon prove. It is smart for a storekeeper to just not bother with it, rather just give the change in coin as always, even if the sale is a small one, and even if the customer has bought the trade dollar for 90 ¢ and therefore is a little ahead.

Trustfund : All monies received from the sale of Trade Dollars were kept in a trustfund for the sole purpose of redemption or liquidation.

General fund : All other income received was kept in the general fund, out of which all expenses were paid. This fund was the stockholders fund.

Circulation : From 1937 to 1943 a total of 120,000 Trade Dollars were sold and put into circulation. After the Exchange was in full swing, the monthly turnover was 3000-4000.

Safety: To insure against counterfeits, the following measures were taken: On each certificate two signatures, serial number, date of issue, corporate seal. The fact that only certificates in one-dollar denominations were issued, served as a fairly good safety measure. In addition, for the first three years a complete record was kept of all individual certificates, checking the serial number whenever the certificate came back for liquidation. That method also gave the Exchange an idea of how many of them got lost and never came back. That rate was three out of each 1000 that were issued.

Dissolution: Due to wartime conditions, resulting in a shortage of goods in our most important member stores like gasoline stations, grocery stores, and meat markets, it became increasingly difficult

to circulate Trade Dollars, and the Exchange was therefore dissolved December 29, 1943, and all outstanding certificates, stockshares, and all other obligations were paid and redeemed.

Samples : While the Exchange was in operation, certificates were used which required stamps in the spaces provided for them. If and when a new Exchange should be operated, new certificates with three series not requiring the use of stamps may be used. They save a lot of work and should be much more acceptable to the public.

Use of Trade Dollars: As long as there is not a complete cycle of circulation, it is important that trade dollars are put back into circulation by all means; once that cycle is complete it would be the most perfect example and proof that: Idle money means idle men and circulation means business.

#### Some Details of Exchange Operation

by Griscom Morgan

There are a number of technical details relating to a community exchange that should be on record in conjunction with the more general account given elsewhere in this pamphlet. The more complex history and technical details of how exchanges have operated is not necessary here, for intelligence can reproduce them or diligence can find them. But the problem of the legality of such an exchange is a basic one to people considering the establishment of an exchange.

For some reason there is in federal law a provision in Title 18, USC, Section 336 a legal provision that prohibits the issue or payment of "any note, check, memorandum or other obligation for a less sum than \$1. intended to circulate as money or used in lieu of lawful money of the United States."

This provision is no obstacle to an exchange currency. The minimum exchange token can have a face value at the time of its issue of \$1.04, \$1.05, \$1.08, or whatever amount of depreciation is planned to take place in the value of the certificate during the year, with the year-end value of \$1.00. At the end of the year the certificate would have to be replaced with a new certificate with the higher value. In practice it has been found that the problem of determining the demurrage of the currency at any time during the year in pricing and selling goods can be handled in a number of ways, and tends to take care of itself as people use the currency. It can be established on the currency as stated values by the two month period, the third or the quarter year, or left on a yearly basis, which is the way it worked in Medieval Europe.

A community nearly devoid of United States currency can use other than that currency as security for an exchange currency--it is not necessary to have a full security in national currency, though it may be a decided advantage. Commodity security can serve an exchange just as it serves the Federal Reserve banks, if there is the contractual understanding that in case liquidation of some or all of the currency becomes necessary holders of the currency would have to accept commodity assets at their appraised value in exchange for their currency. To dispense with a security reserve of assets as backing for a community currency has been found unwise, for without such security runaway inflation could result from loss of confidence, and if an exchange currency had to be discontinued as happened in Germany, holders of the exchange currency would have to take a loss.

An exchange currency can work in time of rapid inflation by having the unit of value pegged to the cost of living rather than to the inflating national currency. The rate of demurrage on the exchange currency should exceed the rate of inflation. This gives security to obligations, incomes and prices while making for an adequate market and full employment.

### The Self-Help "Economic Ring"

by Karl Walker

(Thirty-five years ago an "economic ring" cooperative was established in Switzerland after the example furnished by Scandinavian countries, by which the exchange of goods and services among middleclass businesses and artisans was organized according to definite principles. The enterprise is today well founded and works to the complete satisfaction of its members. An article by Karl Walker published twenty years ago describes the function of the ring which is still applicable today.)

The Economic Ring of the city of Basel has made it possible to transact business for its 1100 members in 1949 with about two million francs by means of check account transactions in addition to two more millions of francs against cash.

Today's economic conditions of the western world are marked by sales difficulties causing curtailment of production and employment. It is imperative to breathe life into our markets, to promote enterprise, sale and employment in the community. The problem is fundamentally the problem of the exchange of products and labor. The enterprise "Economic Ring" has the purpose of giving to its members sales, orders, and income on the basis of a mutual exchange of products and services. The "Economic Ring" is a

free self-help cooperative requiring no political legislation because no compulsion and regulation and no change of existing laws and legal conditions is necessary.

Since difficulties of distribution exist also in Western Germany, an enterprise has been established at Stuttgart, seventy miles north of Basel, which will make use of this method of distribution of goods. The firm has been founded under the name "Ring Economy, Ltd.," with a founding capital of DM30,000. To show the interest which the business world is displaying in a systematic promotion of sales as proposed here, of 160 firms which have been approached 127 immediately promised their cooperation, among them such eminent firms and personalities as: MAHLE, Light Metal Works, Cannstadt; Dr. Peter V. Siemens, Siemens-Reiniger Works, Erlangen; R. Witzemann, Metallhose factory, etc.

Every businessman can make use of the promotion of business turnover by means of the Economic Ring. Necessary for this purpose is: (1) To open up an account at the bank of the Economic Ring by payment of national currency; (2) To subscribe to the Information Organ of the Economic Ring with the list of businesses; (3) To make use of this balance by transferring it to others through buying within the Economic Ring.

The Ring gives to every new cash payment of national currency an additional credit of 5% as a compensation for adding to its working capital. Purchasing power once directed into the Ring remains therein, augmenting the working capital of the community and creating by its circulation sales and employment for all members.

The cash money capital forming the credits is invested as an untouchable liquidity-reserve. The Ring also provides for letting the entire accounting be done by a banking institution.

For the keeping of the account and to stimulate its use the Ring levies from its members a compensation of 1 Mill of the daily credit balance. With this regulation the Ring gains if a member leaves a large amount untouched for a longer period. But if the member uses every payment entered on his account again in a purchase of goods and services from other members, he saves expenses and increases the turnover for others and for himself. This stimulant to exchange creates employment by making maximum use of its working capital.

From the national economic viewpoint, the working method of the Ring leads to an unfoldment of demand for products and services which is increased with every additional cash deposit on account. There is no possibility of the cash disappearing, for it remains in trust, yet because of the simple businesslike means of supporting the Ring, it remains in circulation.

## Life Insurance and the Community Economy

by Griscom Morgan

Capital investment has a critically important influence over economic development. Sixty-five per cent of the nation's invested wealth is directly or indirectly controlled by life insurance companies; their direct assets in 1969 totalled 118.6 billion dollars, according to the Life Insurance Fact Book. Through this control of investment there follows a powerful influence over where people can make a living and hence where they will live. Four case studies of life insurance companies illustrate this.

A valuable pamphlet on community development by Harold Sherman, entitled Picture What You Want, was published by the Southern Equitable Life Insurance Company, of Little Rock, Arkansas. Included in the pamphlet is a description of the origin of the company:

### "Why Southern Equitable Life Insurance Company is Interested in Public Service

In 1955, when it became known that over \$58,000,000 is flowing from the state each year in premium income to out of state firms--and only \$5,000,000 staying at home with companies previously organized within the state of Arkansas--it was decided to organize the Southern Equitable Life Insurance Company.

This company was formed through the banding together of over 500 leading Arkansas citizens in order that Arkansas money might be kept at home to build Arkansas--to create more jobs and more prosperity for every citizen and every community. Arkansas law requires that each insurance company which has its home office in Arkansas shall pay taxes in Arkansas. This means that as Southern Equitable profits, the state directly benefits.

. . . Southern Equitable's program of public service--our investment in the people, resources, business and industry of Arkansas--has produced a phenomenal response."

Thus a state-wide insurance company was organized and operated as one means to deal directly with the crucial problem of the community's need for money, capital investment, and working capital. This company concerned itself with the development of communities large and small, employing two men as community workers available to all communities in the state.

In contrast to the Arkansas example, the Ohio Farm Bureau initiated an insurance company that also aimed to bring capital to the service of the people. To a significant extent the capital investment of this company, now named Nationwide, has been channelled into investment in and near large cities. Its Lincoln Village, adjacent to Columbus, Ohio, is a mammoth real estate development that houses a huge industrial complex and a large suburban housing development. Recently Nationwide announced:

"Nationwide Life Insurance Company will invest another \$2.4 million as part of the life insurance industry's Urban Problems program to provide a second \$1 billion for housing, job-creating enterprises, and community services in the nation's inner-city areas. . . . Nationwide invested \$2.2 million in inner-city projects during the past year as part of the life insurance industry's first \$1 billion program. . . . Some 227 cities in 42 states. . . were beneficiaries of the program. More than 75% of the funds went into 64,000 new housing units."

Thus Nationwide within its state is accentuating the very problem of population congestion of which it asserts it is trying to alleviate the effects. Many rural areas of the state of Ohio are in severe poverty, their people moving to the cities or suffering as Appalachia suffers from near starvation and lack of economic opportunity.

A third example of the influence of life insurance investment on community life is that of the companies located in Hartford, Connecticut. The late Clarence Jordan reported that there are more Negroes born in the county of which Americus, Georgia, is county seat now living in Hartford, Connecticut, than live in their native county. The land on which these people had been making a living by agriculture belongs to others, among them insurance companies, and the Negroes have insufficient capital to obtain land and agricultural machinery to continue living there. The cities to which they can move are those in which insurance premiums are concentrated. The cost of maintaining these people on relief in Hartford is greater than would be the cost of setting them up with the opportunity to continue making a living in their native county. It is poetic justice that not only do people go where the money goes, but that being displaced persons they engender social problems in the cities to which the insurance premiums have taken the investment capital.

During the depression of the thirties William Bailey from his position as president of Clarksville, Tennessee's First National Bank was working to develop the economic wellbeing of his county. This county needed more capital than was available from the bank's depositors to supply loans to local enterprise. The bank's program of advancing the fortunes of its county required



financing of promising farmers and entrepreneurs. So Mr. Bailey turned to insurance companies and found one that would give good terms for the county. Out of the bank's "Four Pillars of Prosperity" program of fostering the local economy and production came the remarkable improvement in the county's wellbeing rising from among the poorest ten per cent of the counties of Tennessee to among the top ten per cent--without primary dependence on such government programs as the Tennessee Valley Authority.

Access to good credit or money capital is not alone an adequate answer to the capital problem. For example, in one community the credit union found that its loans are going disproportionately to enable people of low income to buy color televisions, large new automobiles and expensive furniture. One cannot dictate to people what they will buy with their income, except through the media of commercial advertising. But good allocation of capital investment can make the difference between a community squandering its wealth and going on relief or investing on the foundation of a sound economy, as was done by the First National Bank of Clarksville, Tennessee.